

Adjustment Certificate”), setting forth, if the Closing Date is before September 17, 2004, Purchaser’s good faith pre-Closing estimate of the Customer Conversion Reimbursement Amount as of the Closing Date or, if the Closing Date is on or after September 18, 2004, the actual Customer Conversion Reimbursement Amount as of September 15, 2004 (in any such case, the “Preliminary Customer Conversion Amount”). The Purchaser’s Estimated Customer Conversion Adjustment Certificate shall set forth in reasonable detail, pursuant to a worksheet attached thereto, Purchaser’s calculation of the Preliminary Customer Conversion Amount.

(ii) If the Closing Date is before September 16, 2004, then within thirty (30) days after the Closing Date, Purchaser shall prepare and deliver to PST (A) a certificate, signed by an authorized officer of Purchaser (the “Purchaser’s Closing Customer Conversion Adjustment Certificate”), which shall include a worksheet setting forth a reasonably detailed calculation of the Customer Conversion Reimbursement Amount as of the end of business on the Closing Date (the “Customer Conversion Amount”). Purchaser shall (A) cooperate in good faith with PST in connection with PST’s review of each of the Purchaser’s Estimated Customer Conversion Adjustment Certificate and Purchaser’s Closing Customer Conversion Adjustment Certificate and (B) grant PST and its representatives (including advisors and accountants) access at reasonable times and places to all books, records and employees of Purchaser reasonably requested by PST in connection with PST’s review of such certificates. Sellers and the Purchaser shall cooperate in good faith to resolve any disputes raised by PST with respect to the Customer Conversion Reimbursement Amount (“Customer Conversion Disputed Items”).

(iii) After attempting to resolve any Customer Conversion Disputed Items in accordance with Section 3.2(c)(ii) (whether or not a resolution is reached), Purchaser’s Preliminary Customer Conversion Amount shall be final, conclusive and binding on the parties unless PST provide a written notice (a “Dispute Notice”) to Purchaser no later than the thirtieth (30th) day after the Closing, if the Closing occurred after September 15, 2004, or not later than the thirtieth (30th) day after delivery of Purchaser’s Closing Customer Conversion Adjustment Certificate if the Closing occurred before September 16, 2004, setting forth in reasonable detail any disagreement Purchaser has with the applicable certificate.

(iv) Purchaser and Sellers shall attempt to resolve the matters raised in a Dispute Notice in good faith. On or after the tenth (10th) Business Day after delivery of the Dispute Notice, either Purchaser or Sellers may provide written notice to the other that it elects to submit the Customer Conversion Disputed Items to BDO Seidman or another nationally recognized independent accounting firm chosen jointly by Purchaser and Sellers (the “Referee”), which for purposes of this Agreement will be deemed to be retained by Purchaser and Sellers. The Referee shall promptly, in accordance with the Commercial Arbitration Rules of the American Arbitration Association, review only those

items and amounts specifically set forth and objected to in the Dispute Notice and resolve the dispute with respect to each such specific item. The fees and expenses of the Referee will be shared equally by Purchaser and Sellers. The decision of the Referee with respect to the items contained in the Dispute Notice will be final, conclusive and binding on the parties, and the Preliminary Customer Conversion Amount or the Customer Conversion Amount, as the case may be, as adjusted by the determinations of the Referee with respect to any items included in a Dispute Notice (the "Final Customer Conversion Reimbursement Amount"), shall be final, conclusive and binding on the parties. Each of the parties to this Agreement agrees to cooperate with the Referee and use its commercially reasonable efforts to cause the Referee to resolve any dispute no later than thirty (30) Business Days after selection of the Referee.

(v) If the Final Customer Conversion Amount differs from the Preliminary Customer Conversion Amount, Sellers or Purchaser, as the case may be, shall make an appropriate reconciliation payment to the other within five (5) Business Days after the determination of such amount by wire transfer of immediately available funds. Any payment pursuant to this Section 3.2(c)(v) shall be an adjustment to the Purchase Price.

(d) Adjustment Based on Net Services Obligations. Sellers shall deliver to Purchaser, not less than two (2) Business Days prior to the Closing, a certificate of Sellers, signed by an authorized officer of PST, (the "Sellers' Estimated Net Service Obligations Adjustment Certificate"), setting forth Sellers' good-faith pre-Closing estimate of the Net Service Obligations as of the Closing Date (the "Estimated Net Service Obligations"). The Sellers' Estimated Net Service Obligations Adjustment Certificate shall set forth in reasonable detail Sellers' calculation of the Estimated Net Service Obligations. Prior to the Closing, Purchaser and Sellers may make any mutually agreed adjustments to the Sellers' Estimated Net Service Obligations Adjustment Certificate to update and/or correct the calculation of the Estimated Net Services Obligations. The Purchase Price payable hereunder shall be reduced by an amount equal to the Estimated Net Service Obligations ("Estimated Net Service Obligations Adjustment Amount"). The calculation and resolution of Final Net Service Obligations (as defined below) shall be determined in accordance with Section 3.2(e)(iii) through (vii).

(e) Adjustment Based on Free Cash Flow From Operations. It is the intention of the parties that the Closing Date occur on or before September 15, 2004. If the Closing Date occurs after September 15, 2004, the parties will follow the procedures set forth in this Section 3.2(e) regarding Free Cash Flow From Operations and the Purchase Price will be adjusted accordingly to allow Purchaser to receive the economic benefit of any Free Cash Flow From Operations commencing on September 16, 2004.

(i) If the Closing Date is after September 15, 2004, Sellers shall deliver to Purchaser, two (2) Business Days prior to the Closing Date, a certificate of Sellers, signed by an authorized officer of PST (the "Sellers'

Estimated Cash Flow Adjustment Certificate”), setting forth Sellers’ good faith estimate of the Free Cash Flow From Operations (“Estimated Cash Flow”). The Sellers’ Estimated Cash Flow Adjustment Certificate shall set forth in reasonable detail Sellers’ calculation of the Estimated Cash Flow.

(ii) The Purchase Price payable hereunder will be reduced by the Estimated Cash Flow (the “Estimated Cash Flow Adjustment Amount”).

(iii) Each Seller shall (A) cooperate in good faith with Purchaser in connection with Purchaser’s review of each of the Sellers’ Estimated Cash Flow Adjustment Certificate and the Sellers’ Estimated Net Service Obligations Adjustment Certificate and (B) grant Purchaser and its representatives (including its advisors and accountants) access at reasonable times and places to all books, records and employees of Sellers, reasonably requested by Purchaser in connection with Purchaser’s review of such certificates.

(iv) Within thirty (30) days after the Closing Date, Sellers shall prepare and deliver to Purchaser (A) a certificate, signed by an authorized officer of PST (only if the Closing Date is after September 15, 2004) (the “Sellers’ Closing Date Cash Flow Adjustment Certificate”), which shall include a worksheet setting forth a reasonably detailed calculation of the Free Cash Flow From Operations (“Closing Date Cash Flow”) and (B) a certificate, signed by an authorized officer of PST (the “Sellers’ Closing Date Net Service Obligations Adjustment Certificate”), which shall include a worksheet setting forth a reasonably detailed calculation of the Net Service Obligations as of the Closing Date (“Closing Date Net Service Obligations”). Sellers shall (A) cooperate in good faith with Purchaser, in connection with Purchaser’s review of each of the Sellers’ Closing Date Cash Flow Adjustment Certificate and the Sellers’ Closing Date Net Service Obligations Adjustment Certificate and (B) grant Purchaser and its representatives (including its advisors and accountants) access at reasonable times and places to all books, records and employees of Sellers, reasonably requested by Purchaser in connection with Purchaser’s review of such certificates. Sellers and Purchaser shall cooperate in good faith to resolve any disputes raised by Purchaser with respect to either Sellers’ Closing Date Cash Flow or Sellers’ Closing Date Net Service Obligations (“Disputed Items”).

(v) After attempting to resolve any Disputed Items in accordance with Section 3.2(e)(iv) (whether or not a resolution is reached), the Closing Date Cash Flow and the Closing Date Net Service Obligations shall be final, conclusive and binding on the parties unless Purchaser provides a Dispute Notice to Sellers no later than the thirtieth (30th) day after delivery of the Sellers’ Closing Date Cash Flow Adjustment Certificate or the Sellers’ Closing Date Net Services Obligations Adjustment Certificate, as applicable, setting forth in reasonable detail any disagreement Purchaser has with the applicable certificate of Sellers.

(vi) Purchaser and Sellers or the Creditors' Committee, as applicable, shall attempt to resolve the matters raised in a Dispute Notice in good faith. On or after the tenth (10th) Business Day after delivery of the Dispute Notice, either Purchaser or Sellers may provide written notice to the other that it elects to submit the Disputed Items to the Referee. The Referee shall promptly, in accordance with the Commercial Arbitration Rules of the American Arbitration Association, review only those items and amounts specifically set forth and objected to in the Dispute Notice and resolve the dispute with respect to each such specific item and amount, and with respect to the Closing Date Net Service Obligations, based on the terms of the Member Agreements and the Seamless Agreement. The fees and expenses of the Referee will be shared equally by Purchaser and Sellers. The decision of the Referee with respect to the items contained in the Dispute Notice will be final, conclusive and binding on the parties, and (A) the Closing Date Cash Flow set forth in Sellers' Closing Date Cash Flow Adjustment Certificate, as adjusted by the determinations of the Referee with respect to any items included in a Dispute Notice (the "Final Cash Flow"), shall be final, conclusive and binding on the parties, and (B) the Closing Date Net Service Obligations set forth in Sellers' Closing Date Net Service Obligations Adjustment Certificate, as adjusted by the determinations of the Referee with respect to any items included in a Dispute Notice (the "Final Net Service Obligations"), shall be final, conclusive and binding on the parties. Each of the parties to this Agreement agrees to cooperate with the Referee and use its commercially reasonable efforts to cause the Referee to resolve any dispute no later than thirty (30) Business Days after selection of the Referee.

(vii) If (A) the Closing Cash Flow differs from the Estimated Cash Flow and/or (B) the Closing Date Net Service Obligations differs from the Estimated Net Services Obligations, as the case may be, Sellers or Purchaser, as the case may be, shall make an appropriate reconciliation payment to the other within five (5) Business Days after the determination of such amount by wire transfer of immediately available funds. Any payment pursuant to this Section 3.2(e)(vii) shall be an adjustment to the Purchase Price.

(f) Adjustment Based on Closing Date. If the Closing Date occurs on or before September 15, 2004, the Purchase Price payable hereunder shall be increased by an amount equal to the product of (i) \$600,000 and (ii) the number of calendar days between the Closing Date and September 15, 2004 (excluding the Closing Date, but including September 15, 2004), (the "Closing Date Adjustment Amount").

(g) Adjustment Based on Net Working Capital. Schedule 3.2(g) attached hereto sets forth, as of June 30, 2004 for illustrative purposes, the line items that will be included in the Sellers' Pre-Closing and Post-Closing Net Working Capital Adjustment Certificates in a manner consistent with the Agreed Principles.

(i) Sellers shall deliver to Purchaser, not less than two (2) Business Days prior to the Closing, a certificate of Sellers, signed by an authorized officer of PST (the "Sellers' Pre-Closing Net Working Capital"),

Adjustment Certificate”), setting forth Sellers’ good faith pre-Closing estimate of the Net Working Capital Amount (as defined below) of the Sellers as of the close of business on the Closing Date (in any such case, the “Preliminary Net Working Capital Amount”). The Sellers’ Pre-Closing Net Working Capital Adjustment Certificate shall set forth in reasonable detail, pursuant to a worksheet attached thereto, Sellers’ calculation of the Preliminary Net Working Capital Amount. The Preliminary Net Working Capital Amount shall fairly present the Net Working Capital Amount of the Sellers as of the close of business on the Closing Date, and shall be prepared in accordance with GAAP, subject to the Agreed Principles. The Purchase Price payable hereunder shall be reduced or increased by an amount equal to the Preliminary Net Working Capital Amount.

“Net Working Capital Amount” means an amount calculated in accordance with items set forth on Schedule 3.2(g).

(ii) Within thirty (30) days after the Closing Date, Sellers shall prepare and deliver to Purchaser (A) a certificate, signed by an authorized officer of PST (the “Sellers’ Post Closing Net Working Capital Adjustment Certificate”), which shall include a worksheet setting forth a reasonably detailed calculation of the Net Working Capital Amount as of the end of business on the Closing Date (the “Closing Date Net Working Capital Amount”). The Closing Date Net Working Capital Amount shall fairly present the Net Working Capital Amount of the Sellers as of the end of business on the Closing Date, and shall be prepared in accordance with GAAP, subject to the Agreed Principles. Sellers shall (A) cooperate in good faith with Purchaser in connection with Purchaser’s review of each of Sellers’ Pre-Closing Net Working Capital Adjustment Certificate and Sellers’ Post Closing Net Working Capital Adjustment Certificate and (B) grant Purchaser and its representatives (including advisors and accountants) access at reasonable times and places to all books, records and employees of Sellers reasonably requested by Purchaser in connection with Purchaser’s review of such certificates. Sellers (or the Creditors’ Committee, as applicable) and the Purchaser shall cooperate in good faith to resolve any disputes raised by Purchaser with respect to the Preliminary Net Working Capital Amount and/or the Closing Date Net Working Capital Amount (“Working Capital Disputed Items”).

(iii) After attempting to resolve any Working Capital Disputed Items in accordance with Section 3.2(g)(ii) (whether or not a resolution is reached), Sellers’ Closing Date Net Working Capital Amount shall be final, conclusive and binding on the parties unless Purchaser provides a Dispute Notice to PST and the Creditors’ Committee not later than the thirtieth (30th) day after delivery of Sellers’ Post Closing Net Working Capital Adjustment Certificate, setting forth in reasonable detail any disagreement Purchaser has with the applicable certificate.

(iv) Purchaser and Sellers shall attempt to resolve the matters raised in a Dispute Notice in good faith. On or after the tenth (10th) Business Day after delivery of the Dispute Notice, either Purchaser or Sellers may provide

written notice to the other that it elects to submit the Working Capital Disputed Items the Referee. The Referee shall promptly, in accordance with the Commercial Arbitration Rules of the American Arbitration Association, review only those items and amounts specifically set forth and objected to in the Dispute Notice and resolve the dispute with respect to each such specific item. The fees and expenses of the Referee will be shared equally by Purchaser and Sellers. The decision of the Referee with respect to the items contained in the Dispute Notice will be final, conclusive and binding on the parties, and the Closing Date Net Working Capital Amount as adjusted by the determinations of the Referee with respect to any items included in a Dispute Notice (the "Final Net Working Capital Amount"), shall be final, conclusive and binding on the parties. Each of the parties to this Agreement agrees to cooperate with the Referee and use its commercially reasonable efforts to cause the Referee to resolve any dispute no later than thirty (30) Business Days after selection of the Referee.

(v) If the Final Net Working Capital Amount differs from the Preliminary Net Working Capital Amount, Sellers or Purchaser, as the case may be, shall make an appropriate reconciliation payment to the other within five (5) Business Days after the determination of such amount by wire transfer of immediately available funds. Any payment pursuant to this Section 3.2(g)(v) shall be an adjustment to the Purchase Price.

(h) Adjustment Based on NRTC Letters of Credit. If Purchaser does not deliver the NRTC Letters of Credit pursuant to Section 4.3(e), the Net Service Obligations will be reduced by the face amount of such NRTC Letters of Credit not so delivered; provided, however, that if such failure occurs as a result of the NRTC Letters of Credit having been drawn (A) as provided in Section 2.c of the Settlement Agreement, and the proceeds thereof held in accordance with the terms of Section 2.c of the Settlement Agreement, such section of the Settlement Agreement will apply; and (B) other than as set forth in Section 2.c of the Settlement Agreement, the Net Service Obligations shall be reduced by the amount of all draws under such NRTC Letters of Credit.

(i) Any amounts due from Sellers to Purchaser as a result of any post-Closing adjustments to the Purchase Price provided for in this Section 3.2 shall constitute allowed expenses of administration under sections 503(b) and 507(a)(1) of the Bankruptcy Code and shall be promptly paid as and when provided for in this Agreement.

3.3 Payment of Purchase Price. On the Closing Date, Purchaser shall pay the Purchase Price, plus or minus, as applicable, (a) the amount of the Seamless Judgment, (b) the Aggregate Patronage Amount, (c) the Cooperation Agreement Obligations Amount, (d) the Estimated Net Services Obligations Amount, (e) the Estimated Cash Flow Adjustment Amount, (f) the Closing Date Adjustment Amount, (g) the Preliminary Net Working Capital Amount and (h) the NRTC Patronage Certificate Face Amount (such net amount referred to herein as the "Net Purchase Price"), to Sellers in an amount for each Seller as designated by Sellers, which shall be paid by wire transfer of

immediately available funds into the Sellers' DBS concentration account as specified on Schedule 3.3.

3.4 Letter of Credit.

(a) On the second Business Day after Sellers notify Purchaser that the Approval Motion is ready to be filed, Purchaser shall (i) cause Bank of America to issue the Letter of Credit and Purchaser shall deliver such Letter of Credit to PST to be held for the account of Sellers and (ii) take possession of the NRTC Letters of Credit, and concurrently therewith, Sellers and the Creditors' Committee will file the Approval Motion.

(b) At the Closing, at Purchaser's election (which election shall be made by Purchaser and communicated to Sellers at least two Business Days prior to the Closing), PST shall either (i) surrender the Letter of Credit to Purchaser without drawing thereon against payment of the Net Purchase Price by Purchaser in immediately available funds or (ii) draw upon the Letter of Credit to the extent necessary to satisfy the payment of the Net Purchase Price hereunder (and the letter of credit shall terminate following such draw).

(c) If all conditions set forth in Sections 10.1, 10.2 and 10.3, other than those in Section 10.3(d), have been or are capable of being immediately satisfied (or have been waived by the party entitled to waive that condition), and the Bankruptcy Court shall have determined in an Order that the failure of the condition in Section 10.3(d) is solely a result of Purchaser's breach of its agreements and obligations in Section 8.3, Sellers can elect to draw upon the Letter of Credit an amount equal to the Net Purchase Price. If Sellers make such election, (i) Sellers must sell, transfer and assign to Purchaser, and Purchaser shall acquire and assume from Sellers, those Purchased Assets and Assumed Liabilities that are allowed to be transferred pursuant to the HSR Act, (ii) the Effective Date of the Settlement Agreement shall be deemed to have occurred and the releases in favor of Sellers and their Affiliates, Purchaser and its Affiliates and NRTC shall be granted and fully operative as more fully set forth in the Settlement Agreement, (iii) Sellers shall deliver the items required by Section 4.2 and Purchaser shall deliver the items required by Section 4.3, including the NRTC Letters of Credit, and (iv) Purchaser and Sellers each agree to comply with their obligations under Section 8.3 and shall transfer the remaining Purchased Assets and assume the Assumed Liabilities as soon as legally permissible, effective as of the Closing Date. Nothing in this Section 3.4(c) shall relieve any party of its obligations under the Agreement. Notwithstanding anything in this Agreement to the contrary, the parties hereby agree that if the Sellers elect to draw upon the Letter of Credit pursuant to this Section 3.4(c), the amount of such draw shall be the sole and exclusive remedy of Sellers against Purchaser for Purchaser's breach of Section 8.3. If despite the parties using commercially reasonable efforts to satisfy the obligations under Section 8.3, Purchaser never receives all of the Purchased Assets under this Agreement, Purchaser acknowledges that in such event Purchaser is not entitled to refund of the Net Purchase Price paid under this Section 3.4(c). Sellers' retention of the Net Purchase Price shall be in consideration of (i) the Purchased Assets, if any, transferred to Sellers, (ii) Sellers' covenants to transfer the

Purchased Assets to Purchaser when legally permissible, (iii) the covenants of Sellers in the Settlement Agreement, and (iv) liquidated damages for Purchaser's breach of Section 8.3 hereof (Sellers and Purchaser acknowledge that it would be impossible to calculate, and such liquidated damages constitute a reasonable estimate of, such damages).

(d) If all the conditions set forth in Sections 10.1, 10.2 and 10.3 have been or are capable of being immediately satisfied (or have been waived by the party entitled to waive that condition) as determined by an Order of the Bankruptcy Court, and Purchaser fails to deliver the Net Purchase Price, Sellers can elect to draw upon the Letter of Credit an amount equal to the Net Purchase Price. If Sellers make such election, (i) Sellers must sell, transfer and assign to Purchaser, and Purchaser shall acquire and assume from Sellers, the Purchased Assets and Assumed Liabilities, (ii) the Effective Date of the Settlement Agreement shall be deemed to have occurred and the releases in favor of Sellers and their Affiliates, Purchaser and its Affiliates and NRTC shall be granted and fully operative as more fully set forth in the Settlement Agreement and (iii) Sellers shall deliver the items required by Section 4.2 and Purchaser shall deliver the items required by Section 4.3; provided, however, that if Purchaser fails or refuses to deliver any such items, then the Closing shall nonetheless occur.

(e) (i) If the Closing has not taken place and Purchaser has not extended the term of the Letter of Credit on or prior to the Business Day immediately preceding the day on which the Letter of Credit is scheduled to expire, PST can elect to draw upon the Letter of Credit an amount equal to the full amount thereof on the Business Day immediately preceding the day on which the Letter of Credit is scheduled to expire or on the expiration date of the Letter of Credit (an "Expiration Draw Date") pursuant to clause (ii) below; provided, however, that Purchaser can elect to replace the Letter of Credit with a substitute letter of credit, identical in all respects other than the Expiration Draw Date to the Letter of Credit, in an amount equal to \$875,000,000 with a future expiration date, and if such substitute letter of credit is issued and delivered to PST in exchange for the expiring Letter of Credit to be held for the account of Sellers, prior to the Business Day preceding the Expiration Draw Date, Sellers will have no further rights under this Section 3.4(e) with respect to such expiring Letter of Credit.

(ii) If PST elects to draw upon the Letter of Credit in accordance with Section 3.4(e)(i), Sellers must arrange for such funds (the "Trust Funds") to be held in trust for the benefit of Purchaser until the earliest of (A) the Closing Date (at such time the Net Purchase Price will be paid to Sellers out of such Trust Funds and any remaining amounts will be delivered to Purchaser), (B) Purchaser provides Sellers with a substitute letter of credit to be issued and delivered to PST to be held for the account of Sellers in an amount equal to the Trust Funds (less any accrued interest) (at such time, Sellers will promptly arrange for the Trust Funds (and any accrued interest accrued thereon) to be released to Purchaser), and (C) the termination of this Agreement (at such time the Trust Funds (and any accrued interest thereon) will be released to Purchaser, unless Sellers shall be entitled to the Net Purchase Price pursuant to Sections 3.4(c) or 3.4(d).)



(f) Purchaser agrees to provide advance written notice to Sellers and the Creditors' Committee if it intends to file a motion with the Bankruptcy Court to terminate the Letter of Credit.

## ARTICLE IV

### CLOSING AND TERMINATION

4.1 Closing Date. Subject to the satisfaction of the conditions set forth in Sections 10.1, 10.2 and 10.3 (or the waiver thereof by the party entitled to waive that condition), the closing of the purchase and sale of the Purchased Assets and the assumption of the Assumed Liabilities provided for in Article II (the "Closing", which terms shall include the transactions contemplated by Section 3.4(c) and Section 3.4(d)) shall take place at the offices of Weil, Gotshal & Manges LLP located at 767 Fifth Avenue, New York, New York at 10:00 a.m. (New York City time) on the second Business Day following the satisfaction or waiver of the conditions set forth in Article X (other than conditions that by their nature are to be satisfied at or prior to the Closing, but subject to the satisfaction or waiver of such conditions) unless another place, time and/or date are agreed to in writing by the parties. The date on which the Closing occurs is referred to in this Agreement as the "Closing Date".

4.2 Deliveries by Sellers. At the Closing, each Seller shall deliver to Purchaser:

- (a) a duly executed bill of sale and assignment in the form of Exhibit B;
- (b) if applicable and subject to Section 2.5, a duly executed Purchased Facility Lease Assignment and Assumption Agreements in recordable form, substantially in the form of Exhibit C, separately for each Purchased Facility Lease;
- (c) the officer's certificates required to be delivered pursuant to Sections 10.1(a) and 10.1(b), substantially in the form of Exhibit D; and
- (d) a certified copy of the Approval Order.

4.3 Deliveries by Purchaser. At the Closing, Purchaser shall deliver to Sellers:

- (a) if applicable, a duly executed Purchased Facility Lease Assignment and Assumption Agreements in recordable form, substantially in the form of Exhibit C, separately for each Purchased Facility Lease;
- (b) subject to Section 3.4, the Net Purchase Price in immediately available funds, as set forth in Section 3.3;
- (c) the officer's certificates required to be delivered pursuant to Sections 10.2(a) and 10.2(b), substantially in the form of Exhibit E;

(d) all previously unissued Patronage Certificates and or equivalent interim certificates in the amount specified in Section 3.i(4) of the Settlement Agreement for periods through June 1, 2004 legended in accordance with Section 4 of the Settlement Agreement or if NRTC has not delivered such certificates to Purchaser or Sellers, an amount of cash equal to the face amount of such Patronage Certificates (the "NRTC Patronage Certificate Face Amount") which amount shall be added to and be a part of the Net Purchase Price; provided, further, that if Purchaser delivers the cash equal to the NRTC Patronage Certificate Face Amount, such Patronage Certificates will be deemed to be a Purchased Asset under this Agreement; and

(e) all letters of credit set forth on Schedule 2 to the Settlement Agreement and any extensions, replacements or amendments of the same (the "NRTC Letters of Credit").

4.4 Termination of Agreement. This Agreement may be terminated prior to the Closing as follows:

(a) by Purchaser or Sellers, if for any reason the Closing shall not have occurred by the close of business on November 1, 2004 (the "Termination Date"); provided, however, that if the Closing shall not have occurred on or before November 1, 2004 due to a breach of this Agreement by Purchaser or Sellers, Purchaser or Sellers, as the case may be, may not terminate this Agreement pursuant to this Section 4.4(a); and provided further, that if all of the conditions to Closing set forth in Article X (other than Section 10.3(d)) have been satisfied or waived on or prior to November 1, 2004, and the FTC or Antitrust Division has issued a second request for additional information relating to the transactions or has challenged the transactions contemplated by the Agreement in a Legal Proceeding as a result of which a temporary restraining order or injunction has been issued, the Termination Date shall be extended until three (3) Business Days after such time as the waiting period for such second request has expired or been terminated or the District Court (or other applicable Governmental Authority) shall have terminated or denied such temporary restraining order or entered such injunction.

(b) by mutual written consent of Sellers and Purchaser;

(c) by Purchaser, upon written notice from Purchaser to PST of a breach by any Seller of any representation or warranty or any covenant or agreement contained in this Agreement (other than the first sentence of Section 8.2(d)) which would result in a failure of a condition set forth in Sections 10.1 or 10.3, except that, if such breach is reasonably capable of being cured prior to November 1, 2004, and such Seller uses its reasonable best efforts to cure such breach, then for so long as the breach is curable and Seller continues to use its reasonable best efforts to cure the breach, such termination shall not become effective unless such breach is not cured prior to November 1, 2004;

(d) by Sellers, upon written notice from PST to Purchaser of a breach by Purchaser of any representation or warranty or any covenant or agreement contained in this Agreement which would result in a failure of a condition set forth in Section 10.2

or 10.3 and which breach following the receipt by Purchaser of a notice to, except that, if such breach is reasonably capable of being cured prior to November 1, 2004, and Purchaser uses its reasonable best efforts to cure such breach, then for so long as the breach is curable and Purchaser continues to use its reasonable best efforts to cure the breach, such termination shall not become effective unless such breach is not cured prior to November 1, 2004;

(e) by Sellers, if the Letter of Credit has not been delivered pursuant to Section 3.4 on or before August 7, 2004, unless the failure to issue the Letter of Credit by such date was a direct result of Sellers' failure to finalize the Approval Motion or notify Purchaser that the Approval Motion was ready to be filed pursuant to Section 3.4;

(f) by Sellers or Purchaser, if there shall be in effect a Final Order restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated hereby, and by the Settlement Agreement and the Cooperation Agreement, taken as a whole, it being agreed that the parties hereto shall promptly appeal any adverse determination which is not nonappealable (and pursue such appeal with reasonable diligence);

(g) by Sellers or Purchaser, if (i) any Seller enters into a definitive agreement with respect to a Covered Transaction or (ii) the Bankruptcy Court enters an order which approves a Covered Transaction. In either such event Purchaser reserves the right to file an application, pursuant to section 503(b)(3)(D) of the Bankruptcy Code, seeking substantial contribution, compensation and reimbursement of expenses; provided, however, if Sellers elect to terminate the Agreement under clause (i) of this Section 4.4(g), Sellers must first provide Purchaser four (4) days advance written notice of such proposed termination, attaching the agreement (or draft) related to the Covered Transaction thereto, and negotiate in good faith with the Purchaser during such four-day period to attempt to make commercially reasonable adjustments to this Agreement, the Settlement Agreement and the Cooperation Agreement as would enable the Sellers and the Creditors' Committee to proceed with the transactions contemplated by this Agreement, the Settlement Agreement and the Cooperation Agreement;

(h) by Purchaser, if Sellers withdraw or modify or amend in a manner adverse in any material respect to Purchaser (without the prior written consent of Purchaser) the Approval Motion, in such event, Purchaser reserves the right to file an application, pursuant to section 503(b)(3)(D) of the Bankruptcy Code, seeking substantial contribution, compensation and reimbursement of expenses in the event that Sellers at any time during the course of the Chapter 11 Case, completes a Covered Transaction;

(i) by Purchaser, if the Bankruptcy Court has not entered the Approval Order on or before October 15, 2004, or after its entry such order fails to be in full force and effect or is stayed, reversed, modified or amended in a manner adverse to Purchaser without the prior written consent of Purchaser;

(j) by Purchaser, if the Approval Motion is not filed on or before August 7, 2004, unless the failure to file the Approval Motion by such date was a direct

result of Purchaser's failure to deliver the Letter of Credit pursuant to Section 3.4 or reasonably consent to the Approval Motion; or

(k) by Purchaser, if any Seller has failed to perform or violates in any material respect any of its covenants and agreements set forth in the first sentence of Section 8.2(d).

4.5 Procedure Upon Termination. In the event of termination by Purchaser or Sellers, or both, pursuant to Section 4.4, written notice thereof shall forthwith be given to the other party, and this Agreement shall terminate, and the purchase of the Purchased Assets and the assumption of the Assumed Liabilities hereunder shall be abandoned, without further action by Purchaser or any Seller. If this Agreement is validly terminated as provided herein, each party shall re-deliver to the party furnishing the same or destroy all documents, work papers and other material of any other party relating to the transactions contemplated hereby, whether so obtained before or after the execution hereof.

4.6 Effect of Termination. In the event that this Agreement is validly terminated in accordance with Section 4.4, then each of the parties shall be relieved of its duties and obligations arising under this Agreement after the date of such termination and such termination shall be without Liability to Purchaser or Sellers; provided, however, that (i) the obligations of the parties set forth in Sections 3.4, 4.5, 4.6, 8.6, 12.1, 12.3, 12.4, 12.5, 12.6, 12.7, 12.8, 12.9, 12.10, 12.11, 12.12, 12.13, and 12.14 shall survive any such termination and shall be enforceable hereunder and (ii) nothing herein shall relieve any party from Liability for any breach of this Agreement. In the event this Agreement shall be terminated and at such time any party is in breach of or in default under any term or provision hereof, such termination shall be without prejudice to, and shall not affect, any and all rights to damages that any other party may have hereunder or otherwise under applicable Law.

## ARTICLE V

### REPRESENTATIONS AND WARRANTIES OF SELLERS

Each Seller hereby, jointly and severally, represents and warrants to Purchaser that:

5.1 Organization and Good Standing. Except as a result of the commencement of the Chapter 11 Case, each Seller is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has all requisite corporate power and authority to own, lease and operate its properties and to carry on its business as now conducted.

5.2 Authorization of Agreement. Subject to the entry of the Approval Order, each Seller has all requisite corporate power, authority and legal capacity to execute and deliver this Agreement and each other agreement, document, instrument or certificate contemplated by this Agreement to be executed (including the Settlement Agreement, the

Confidentiality Agreement and the Cooperation Agreement), or otherwise executed, by each Seller in connection with the consummation of the transactions contemplated hereby and thereby (such other agreements, documents, instruments or certificates, collectively, the "Seller Documents"), to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the Seller Documents to which each Seller is a party and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of each Seller. This Agreement has been, and each of the Seller Documents to which each Seller is a party will be, at or prior to the Closing, duly and validly executed and delivered by each Seller and (assuming the due authorization, execution and delivery by the other parties hereto and thereto and the entry of the Approval Order) this Agreement constitutes, and each of the Seller Documents when so executed and delivered will constitute, legal, valid and binding obligations of each Seller enforceable against each Seller in accordance with their respective terms.

### 5.3 Conflicts; Consents of Third Parties.

(a) Subject to the satisfaction of the condition set forth in Section 10.3(c), none of the execution and delivery by each Seller of this Agreement or the Seller Documents to which it is a party, the consummation of the transactions contemplated hereby or thereby, or compliance by such Seller with any of the provisions hereof or thereof will conflict with, or result in any violation of or default under or give rise to a right of termination, cancellation or acceleration (whether after the giving of notice or the lapse of time or both) of any obligation under (i) the certificate of incorporation or bylaws of each Seller; (ii) any Contract or Permit to which each Seller is a party or by which any of the properties or assets of each Seller is bound except to the extent any of the foregoing is not enforceable due to operation of applicable bankruptcy Law or the Approval Order; (iii) any Order applicable to each Seller or any of the properties or assets of such Seller or (iv) any applicable Law, other than, in the case of clauses (ii), (iii) and (iv), such conflicts, violations, defaults, terminations, cancellations or accelerations that could not reasonably be expected to have a Material Adverse Effect.

(b) No consent, waiver, approval, Order, Permit or authorization of, or declaration or filing with, or notification to, any Person or Governmental Body is required on the part of each Seller in connection with the execution and delivery of this Agreement or the Seller Documents to which each Seller is a party or the consummation of the transactions contemplated hereby or thereby, except for (i) compliance with the applicable requirements of the HSR Act, (ii) the entry of the Approval Order and (iii) for such other consents, waivers, approvals, Orders, Permits, authorizations, declarations, filings and notifications, the failure of which to be obtained or made could not reasonably be expected to have a Material Adverse Effect.

### 5.4 Personal Property.

(a) Except as set forth on Schedule 5.4(a)(i), Purchaser shall be vested with good and marketable title, or a valid leasehold interest in, to all the Purchased

Assets, free and clear of all Liens, other than Permitted Exceptions, to the fullest extent permissible under section 363(f) of the Bankruptcy Code. Schedule 5.4(a)(ii) sets forth a correct and complete list of any Persons who, as of the date hereof, have (or, to the Knowledge of Sellers, claim to have) a security interest or other Lien in any of the Purchased Assets. No Affiliate of any Seller (other than Sellers) owns or has any right, title or interest in any Purchased Asset

(b) At June 1, 2004, Sellers had at least 1,080,000 Qualified Subscribers.

5.5 Contracts. Subject to the entry of the Approval Order, the payment of any Cure Amounts and the assumption and assignment of the Purchased Contracts and the Purchased Facility Lease, and except as set forth on Schedule 5.5, each of the Purchased Contracts and Purchased Facility Leases is in full force and effect and is the legal, valid and binding obligation of the Seller which is a party to such Purchased Contract or Purchased Facility Lease, enforceable against such Seller in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity), except where the failure, individually or in the aggregate, to be so in full force and effect, legal, valid and binding or enforceable could not reasonably be expected to have a Material Adverse Effect. Except as set forth on Schedule 5.5, such Seller has not received any written notice of any default or event that with notice or lapse of time or both would constitute a default by such Seller under any Purchased Contract or Purchased Facility Lease to which such Seller is a party, other than defaults that are unenforceable due to the operation of applicable bankruptcy Law or the Approval Order.

5.6 Litigation. There are no Legal Proceedings pending or, to the Knowledge of Sellers, threatened against a Seller, or to which such Seller is otherwise a party, which, if adversely determined, could reasonably be expected to have a Material Adverse Effect, and no Seller is subject to any Order that could reasonably be expected to have a Material Adverse Effect.

5.7 Compliance with Laws. Each Seller is in compliance with all Laws of any Governmental Body applicable to its operations or assets or the Business, except where the failure to be in compliance could not reasonably be expected to have a Material Adverse Effect. Each Seller has not received any written notice of or been charged with the violation of any Laws, except where such violation could not reasonably be expected to have a Material Adverse Effect.

5.8 Accounts Receivable and Payable. All accounts and notes receivable of Sellers and its subsidiaries have arisen from bona fide transactions in the Ordinary Course of Business and are payable on ordinary trade terms in the aggregate recorded amounts thereof, net of any applicable reserve for returns or doubtful accounts reflected thereon, which reserves were calculated in accordance with GAAP and the Agreed Principles.

5.9 No Other Representations or Warranties; Schedules. Except for the representations and warranties contained in this Article V (as modified by the Schedules), neither Sellers nor any other Person makes any other express or implied representation or warranty with respect to Sellers, the Purchased Assets, the Assumed Liabilities or the transactions contemplated by this Agreement, and each Seller disclaims any other representations or warranties. The disclosure of any matter or item in any Schedule shall not be deemed to constitute an acknowledgment that any such matter is required to be disclosed or is material or that such matter could reasonably be expected to result in a Material Adverse Effect.

## ARTICLE VI

### REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser hereby represents and warrants to Sellers that:

6.1 Organization and Good Standing. Purchaser is a corporation duly organized, validly existing and in good standing under the laws of California and has all requisite corporate power and authority to own, lease and operate its properties and to carry on its business as now conducted.

6.2 Authorization of Agreement. Purchaser has full corporate power and authority to execute and deliver this Agreement and each other agreement, document, instrument or certificate contemplated by this Agreement to be executed (including the Settlement Agreement, the Confidentiality Agreement and the Cooperation Agreement), or otherwise executed, by Purchaser in connection with the consummation of the transactions contemplated hereby and thereby (such other agreements, documents, instruments or certificates, the "Purchaser Documents"), and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by Purchaser of this Agreement and each Purchaser Document have been duly authorized by all necessary corporate action on behalf of Purchaser. This Agreement has been, and each Purchaser Document will be, at or prior to the Closing, duly executed and delivered by Purchaser and (assuming the due authorization, execution and delivery by the other parties hereto and thereto) this Agreement constitutes, and each Purchaser Document when so executed and delivered will constitute, legal, valid and binding obligations of Purchaser, enforceable against Purchaser in accordance with their respective terms.

6.3 Conflicts; Consents of Third Parties.

(a) None of the execution and delivery by Purchaser of this Agreement and of the Purchaser Documents, the consummation of the transactions contemplated hereby or thereby, or the compliance by Purchaser with any of the provisions hereof or thereof will conflict with or result in any violation or default under or give rise to a right of termination, cancellation or acceleration (whether after the giving of notice or the lapse of time or both) of any obligation under (i) the certificate of incorporation or by-laws of Purchaser, (ii) any Contract or Permit to which Purchaser is a party or by which Purchaser or its properties or assets are bound, (iii) any Order applicable to Purchaser or

any of the properties or assets of Purchaser or (iv) any applicable Law, except, in the case of clauses (ii), (iii) and (iv), for such violations, breaches, defaults, terminations, cancellations or accelerations as could not reasonably be expected to have a material adverse effect on the ability of Purchaser to consummate the transactions contemplated by this Agreement.

(b) No consent, waiver, approval, Order, Permit or authorization of, or declaration or filing with, or notification to, any Person or Governmental Body is required on the part of Purchaser in connection with the execution and delivery of this Agreement or the Purchaser Documents or the consummation of the transactions contemplated hereby or thereby, except for (i) compliance with the applicable requirements of the HSR Act and (ii) such other consents, waivers, approvals, Orders, Permits, authorizations, declarations, filings and notifications, the failure of which to be obtained or made could not reasonably be expected to have a material adverse effect on the ability of Purchaser to consummate the transactions contemplated by this Agreement.

6.4 Financial Capability. Purchaser has access to sufficient funding to deliver the Letter of Credit.

## ARTICLE VII

### BANKRUPTCY COURT APPROVAL

7.1 Bankruptcy Court Filings. Purchaser agrees that, without Purchaser being required to assume any Liability but at its own expense, Purchaser will, following a request by Sellers in connection with the Approval Order, furnish affidavits or other documents or information reasonably requested by Sellers for filing with the Bankruptcy Court for the purposes, among others, of providing adequate assurances of performance by Purchaser under any Purchased Contracts or Purchased Facility Leases and for demonstrating that Purchaser is a "good faith" purchaser under section 363(m) of the Bankruptcy Code. In the event that the Approval Order is appealed, Sellers and Purchaser, each at their own expense, shall use their respective commercially reasonable efforts to defend such appeal.

## ARTICLE VIII

### COVENANTS

8.1 Access to Information. Subject to the Cooperation Agreement (for so long as such agreement is in effect) and the Confidentiality Agreement, Sellers agree that, prior to the Closing Date, Purchaser shall be entitled, through its officers, employees and representatives (including its legal advisors and accountants), to make such investigation of the properties, business and operations of the Business and the Purchased Assets and the Assumed Liabilities (provided that Purchaser shall have no access to the Subscriber Lists except as provided for in Section 2.2(b) of the Cooperation Agreement) as it reasonably requests to enable it to consummate the transactions contemplated by this Agreement and the Cooperation Agreement. Any such investigation and examination



shall be conducted during regular business hours upon reasonable advance notice and under reasonable circumstances.

8.2 Conduct of the Business Pending the Closing.

(a) Subject to the terms of the Cooperation Agreement, prior to the Closing, except (1) as set forth on Schedule 8.2, (2) as required by applicable Law, (3) as expressly provided for in this Agreement or (4) with the prior written consent of Purchaser, each Seller shall:

(i) so long as the Cooperation Agreement is in effect, use its commercially reasonable efforts to (A) preserve the present assets, business operations, organization and goodwill of the Business, and (B) preserve the present relationships with customers and suppliers of the Business (it being understood that (x) without prejudice to the respective rights of Sellers or Purchaser, Purchaser and its Affiliates and other competitors of Sellers will be marketing DIRECTV Services to the Active Subscribers, and (y) the loss of Active Subscribers to Purchaser or any of its Affiliates or any other competitor of Sellers, the filing of one or more notices under the Worker Adjustment and Retraining Notification Act and the termination of Subscriber acquisition efforts by Sellers to the extent Sellers are not reimbursed for the costs thereof by Purchaser pursuant to the Cooperation Agreement or otherwise shall not be deemed to constitute breaches of this Section 8.2(a)(i));

(ii) Sellers shall use their commercially reasonable efforts to (i) file the Approval Motion with the Bankruptcy Court by July 30, 2004 and (ii) have a hearing on approval of the Approval Order held no later than September 1, 2004.

(b) Except (1) as set forth on Schedule 8.2, (2) as required by applicable Law, (3) as expressly provided for in this Agreement or (4) with the prior written consent of Purchaser, each Seller shall not:

(i) subject any of the Purchased Assets to any Lien, except for the Permitted Exceptions or liens granted pursuant to the Bankruptcy Court's final order authorizing the use of collateral and granting other relief, dated June 25, 2004;

(ii) acquire any material properties or assets that would be Purchased Assets or sell, assign, license, transfer, convey, lease or otherwise dispose of any of the Purchased Assets except in the Ordinary Course of Business;

(iii) terminate, release, assign any rights under or discharge any other party thereunder of any of their obligations under any Purchased Contract or Purchased Facility Lease or amend, modify or supplement the terms of any Purchased Contract or Purchased Facility Lease;

(iv) waive or release any material right of any Seller that constitutes a material portion of the Purchased Assets; provided, however, Sellers have no right to waive any rights to or disclose any portion of the Subscriber Lists; or

(v) agree to do anything prohibited by this Section 8.2.

(c) Subject to the terms of the Cooperation Agreement, after the date hereof and prior to the Closing, Sellers shall notify Purchaser in writing from time to time of any Contracts or leases entered into by Sellers relating to the Business solely for the purpose of giving Purchaser the opportunity to determine whether to add such Contracts or Leases to Schedule 2.1(g) or Schedule 2.1(e), respectively, pursuant to Section 2.6(b).

(d) Sellers shall not, and shall not authorize any of their respective Affiliates, advisors, agents, employees, representatives or others acting on their behalf to, disclose, or grant access, to any competitor of Purchaser or any of its Affiliates, advisors, agents, employees, representatives or others acting on its behalf to the Subscriber Lists or the list of Sellers' installation and equipment servicing providers and retailers. Sellers shall not, and shall not authorize any of the foregoing Persons to disclose any Subscriber Information to any Person, unless (i) such Person enters into a Third Party Confidentiality Agreement or (ii) Sellers are required to make such disclosure by the Bankruptcy Court or applicable Law.

(e) Prior to Closing, Sellers shall deliver any Patronage Certificates in the possession of Sellers to NRTC so as to enable NRTC to affix the legend contemplated by Section 4 of the Settlement Agreement to such certificates.

(f) Sellers will pay for any and all shipping costs related to the delivery to Purchaser of the receivers and inventory included in calculating the Final Net Working Capital Amount.

### 8.3 Regulatory Approvals.

(a) Purchaser and Sellers shall (i) make or cause to be made all filings required of each of them or any of their respective subsidiaries or Affiliates under the HSR Act or other Antitrust Laws with respect to the transactions contemplated hereby as promptly as practicable after the date of this Agreement (and in any event within five (5) Business Days of the date hereof), (ii) comply at the earliest practicable date with any request under the HSR Act or other Antitrust Laws for additional information, documents or other materials received by each of them or any of their respective Affiliates from the Federal Trade Commission (the "FTC"), the Antitrust Division of the Department of Justice (the "Antitrust Division") or any other Governmental Body in respect of such filings or such transactions and (iii) cooperate with each other in connection with any such filing and in connection with resolving any investigation or other inquiry of any of the FTC, the Antitrust Division or other Governmental Body under any Antitrust Laws with respect to any such filing or any such transaction. Each such party shall use its commercially reasonable efforts to furnish to each other all information required for any

application or other filing to be made pursuant to any applicable Law in connection with the transactions contemplated by this Agreement. Each such party shall promptly inform the other parties hereto of any oral communication with, and provide copies of written communications with, any Governmental Body regarding any such filings or any such transaction. No party hereto shall independently participate in any formal meeting with any Governmental Body in respect of any such filings, investigation, or other inquiry without giving the other parties hereto prior notice of the meeting and, to the extent permitted by such Governmental Body, the opportunity to attend and/or participate.

(b) Purchaser and Sellers shall use commercially reasonable efforts to take such action as may be required to cause the expiration of the notice periods under the HSR Act or other Antitrust Laws with respect to such transactions as promptly as possible after the execution of this Agreement. Purchaser and Sellers shall use commercially reasonable efforts to resolve such objections, if any, as may be asserted by any Governmental Body with respect to the transactions contemplated by this Agreement under the HSR Act, the Sherman Act, as amended, the Clayton Act, as amended, the Federal Trade Commission Act, as amended, and any other federal or state or foreign statutes, rules, regulations, orders, decrees, administrative or judicial doctrines or other Laws that are designed to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade (collectively, the "Antitrust Laws"). In connection therewith, if any Legal Proceeding is instituted (or threatened to be instituted) challenging any transaction contemplated by this Agreement as in violation of any Antitrust Law, Purchaser and Sellers shall cooperate and use commercially reasonable efforts to contest and resist any such Legal Proceeding, and to have vacated, lifted, reversed or overturned any decree, judgment, injunction or other order whether temporary, preliminary or permanent, that is in effect and that prohibits, prevents or restricts consummation of the transactions contemplated by this Agreement, including by pursuing all available avenues of administrative and judicial appeal and all available legislative action, unless, by mutual agreement, Purchaser and Sellers decide that pursuing such Legal Proceeding is not in their respective best interests. Notwithstanding anything to the contrary herein, Purchaser shall not be required to divest itself of any business, product lines, subscribers or assets in connection with seeking or obtaining approvals under any Law relating to antitrust, competition or trade regulation.

8.4 Further Assurances. (a) Sellers and Purchaser shall use commercially reasonable efforts to (i) take all actions necessary or appropriate to consummate the transactions contemplated by this Agreement and (ii) cause the fulfillment at the earliest practicable date of all of the conditions to their respective obligations to consummate the transactions contemplated by this Agreement. After the Closing, Sellers shall use commercially reasonable efforts to (i) deliver promptly to Purchaser any mail or other communication received by Sellers after the Closing pertaining to the Purchased Assets or the Assumed Liabilities, and any cash, checks or other instruments of payment in respect thereof which constitute a Purchased Asset and (ii) refer all inquiries related to the Purchased Assets and the Assumed Liabilities to Purchaser. After the Closing, Purchaser shall be entitled to possession of all Documents, provided Sellers shall continue to have rights to access and copy the Documents, for internal use purposes only,

at their sole expense, in connection with the administration of the estate in the Chapter 11 Case.

(b) If requested by Purchaser, effective on the Closing Date, any lock box or other arrangements for receipt of payments in respect of the Purchased Assets shall be transferred to Purchaser, and Purchaser shall be authorized to endorse for collection and deposit (but without recourse) in Purchaser's accounts any checks in any Sellers' name received by Purchaser or Sellers (or any lock box party) in respect of the Purchased Assets, from and after the Closing.

8.5 Confidentiality. Each Seller agrees with Purchaser that such Seller shall not, and that such Seller shall cause its Affiliates not to, and shall not authorize its representatives to, at any time on or after the Closing Date, directly or indirectly, without the prior written consent of Purchaser, disclose or use, any confidential or proprietary information (including the Subscriber Lists) involving or relating to the Purchased Assets or the Assumed Liabilities; provided, however, that the information subject to the foregoing provisions of this sentence shall not include any information generally available to, or known by, the public (other than as a result of disclosure in violation hereof); and provided, further, that the provisions of this Section 8.5 will not prohibit any retention of copies of records or disclosure (i) required by any applicable Law so long as reasonable prior notice of such disclosure is provided to Purchaser and a reasonable opportunity is afforded to contest the same or (ii) made in connection with the enforcement of any right or remedy relating to this Agreement or the transactions contemplated hereby. Sellers agree that they will be responsible for any breach or violation of the provisions of this Section 8.5 by any of their representatives.

8.6 Publicity. Neither Sellers nor Purchaser shall issue any press release or public announcement concerning this Agreement or the transactions contemplated hereby without obtaining the prior written approval of the other parties hereto, which approval will not be unreasonably withheld or delayed, unless, in the sole judgment of Purchaser or Sellers, disclosure is otherwise required by applicable Law or with respect to filings to be made with the Bankruptcy Court in connection with this Agreement or by the applicable rules of any stock exchange or similar public trading system on which Purchaser or a Seller lists securities, provided that the party intending to make such release shall use its commercially reasonable efforts consistent with such applicable Law, Bankruptcy Court requirement or rules to consult with the other party with respect to the text thereof.

8.7 No Solicitation by Sellers.

(a) The sale pursuant to this Agreement is an integral part of the Settlement Agreement between Sellers and Purchaser. In consideration of the compromises and settlements set forth therein, no Seller shall, nor shall any Seller authorize or permit any of its Affiliates, any of their respective directors, officers or employees or any investment banker, financial advisor, attorney, accountant or other advisor, agent or representative (collectively, "Representatives") retained by any Seller or any of their Affiliates to, directly or indirectly through another Person, solicit, initiate or

encourage, or take any other action intended to, or which could reasonably be expected to, facilitate, any inquiries or the making of any proposal that constitutes or is reasonably likely to lead to a transaction involving the sale, lease, license or other disposition of the Subscriber Lists or any material portion of the other Purchased Assets (a "Covered Transaction"). Without limiting the foregoing, it is agreed that any violation of the restrictions set forth in the preceding sentence by any Representative of any Sellers or any of their Affiliates shall be a breach of this Section 8.7 by Sellers. Notwithstanding the foregoing, at any time prior to obtaining the Approval Order, in response to an unsolicited proposal for or inquiry that Sellers believe reasonably could lead to a proposal for a Covered Transaction which was made prior to or after the date hereof, Sellers may (A) furnish information with respect to the Sellers (which in no event shall include the Subscriber Lists or specific lists setting forth the names, addresses or telephone numbers, or other specific information, relating to the identity of dealers or retailers of Sellers or their Affiliates) to the Person making such proposal or inquiry pursuant to a customary confidentiality agreement ("Third Party Confidentiality Agreement", which term includes any such agreement heretofore executed by any Seller) not less restrictive of such Person than the Confidentiality Agreement, provided that all such information not previously provided to Purchaser is provided to Purchaser prior to or substantially concurrent with the time it is provided to such Person, and (B) participate in discussions or negotiations with the Person making such proposal or inquiry regarding such Covered Transaction.

(b) In addition to the obligations of Sellers set forth in Section 8.7(a), Sellers shall promptly (and in any event within 48 hours) advise Purchaser orally and in writing and provide copies of (i) the execution of a Third Party Confidentiality Agreement and (ii) the receipt by Sellers or any of their Affiliates or the Creditors' Committee of any written proposal, and any written amendments or modifications thereto, for any Covered Transaction.

8.8 Notification of Certain Matters. Sellers and Purchaser shall give prompt notice to the other parties if any Person provides written notice to any such party that (a) the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement, the Settlement Agreement or the Cooperation Agreement or (b) such Person is not likely to provide a required consent prior to Closing. Sellers and Purchaser shall also give prompt notice to the other party if such party receives any written objection or proceeding that challenges the transactions contemplated hereby or the entry of the Approval Order. Sellers and Purchaser shall give prompt notice to the other party of (i) any alleged violation of Law applicable to any such party, (ii) any written notice of the commencement of any investigation, inquiry or review by any Governmental Body with respect to the Business or that any such investigation, inquiry or review, to the Knowledge of Sellers or to Purchaser's actual knowledge after due inquiry, is contemplated, or (iii) any breach by such notifying party of any representation or warranty or any covenant or agreement contained in this Agreement applicable to such notifying party. Purchaser shall give prompt notice to Sellers, and Sellers shall give prompt notice to Purchaser, in the event that the other party becomes aware of any event which could reasonably be expected to (i) have a Material Adverse Effect or (ii) provide any party with the ability to terminate the Agreement

8.9 Service to Active Subscribers. Purchaser will provide the contractually required DIRECTV Services to any Active Subscriber whose pre-payment for such DIRECTV Services is reflected in the calculation of Final Net Working Capital Amount; provided, however, if such Active Subscriber terminates the service, DIRECTV will refund the unused portion of such pre-paid amount.

## ARTICLE IX

### EMPLOYEES AND EMPLOYEE BENEFITS

#### 9.1 Employment and Benefits.

(a) Subject to the terms of the Cooperation Agreement, within two (2) Business Days after the date of this Agreement, Sellers shall provide Purchaser with the Employee List and an opportunity to review the employment files and other related documents of all Employees so that Purchaser may determine, in its sole discretion, to whom Purchaser will extend offers of employment. Prior to the Closing, Sellers agree to periodically update the Employee List and deliver such updated Employee List to Purchaser. Not less than fifteen (15) Business Days prior to the Closing, Purchaser shall provide Sellers with a list of those Employees, if any, to whom Purchaser may extend offers of employment pursuant to Section 9.1(b) (the "Designated Employees"). Sellers consent to the hiring of the Designated Employees by Purchaser and waive, with respect to the employment by Purchaser of Designated Employees, any claims or rights Sellers may have against Purchaser or any Designated Employee (except to the extent such claims or rights are assigned to Purchaser hereunder) under any non-competition, confidentiality or employment agreement to the extent pertaining to the Business.

(b) Subject to the terms of the Cooperation Agreement, prior to the Closing, Purchaser may deliver in writing an offer of employment to each of the Designated Employees to commence employment immediately following the Closing. Purchaser shall condition the employment of any Designated Employee on such Designated Employee agreeing to waive any severance benefits payable by Sellers to such Designated Employee. Purchaser may employ any of the Designated Employees upon those terms that it may establish in its discretion, and it is understood that such terms may differ from Sellers' employment terms in various material respects, subject to Section 9.1(f).

(c) Subject to the terms of the Cooperation Agreement, except as provided for in Section 9.1(d), Sellers shall be responsible for any and all Liabilities arising out of or relating to (i) the employment by or performance of services for Sellers or any of their Affiliates, or termination of employment or services by Sellers or any of their Affiliates, of (x) the Transferring Employees for periods ending on and prior to the Closing and (y) all other individuals, including the Employees who are not Transferring Employees and the former employees of the Business, whenever arising, and (ii) any Employee Benefit Plan, whenever arising, including such Liabilities relating to any and all wages, salaries, benefits and other compensation or payments (including accrued vacation, leave, sick leave, bonuses, commissions and other incentive-based

compensation) and any and all severance (other than severance benefits waived by any Transferring Employees or payable to any Transferring Employee pursuant to Section 9.1(f)), retention bonus or change in control payment payable to any of the Employees that become due or owing as a result of the consummation of the transactions contemplated by this Agreement.

(d) Subject to the terms of the Cooperation Agreement, after the Closing Date, Purchaser shall become responsible for any and all wages, salaries, benefits and other compensation or payments payable to each Designated Employee who is hired by Purchaser on or after the Closing Date (a "Transferring Employee") for periods following the Closing Date on such terms and conditions as Purchaser and each Transferring Employee may agree. Notwithstanding anything to the contrary contained herein, (i) Purchaser shall have no obligation to offer employment to, or to employ, any Employee and (ii) Purchaser shall have the right to terminate any Transferring Employee for any reason after the Closing Date. Purchaser and Sellers agree that the Employees are not third party beneficiaries of this Agreement. On or after the Closing Date, Purchaser shall be responsible for providing any benefits and amounts payable to Transferring Employees pursuant to the Worker Adjustment and Retraining Notification Act and any similar laws and for providing any severance benefits for Transferring Employees to which Section 9.1(b) refers, and neither Sellers nor any of their Affiliates shall have any Liability in those respects. On or after the Closing Date, Purchaser shall be responsible for satisfying all health care continuation requirements of COBRA, including Part 6 of Title I of ERISA and Section 4980B of the Code, and similar laws and neither Sellers nor any of their Affiliates shall have any Liability in those respects (i) with respect to Transferring Employees, and qualified beneficiaries with respect to Transferring Employees, incurring any qualifying event after the Closing Date, and (ii) in the event that Sellers and Sellers' ERISA Affiliates cease to provide any group health plan, with respect to Transferring Employees, and all qualified beneficiaries with respect to Transferring Employees, incurring any qualifying event before, on or after the Closing Date.

(e) Pursuant to the "Alternate Procedure" provided in Section 5 of Revenue Procedure 96 60, 1996 2 C.B. 399, (a) Purchaser and Sellers shall report on a predecessor/successor basis as set forth therein, (b) Sellers will be relieved from filing a Form W 2 with respect to any Transferring Employees for the calendar year in which the Closing Date occurs, and (c) Purchaser will undertake to file (or cause to be filed) a Form W 2 for each such Transferring Employee with respect to the calendar year in which the Closing Date occurs, including the portion of such year that such Employee was employed by such Seller.

(f) For a period of one year following the Closing Date, Purchaser shall provide each Transferring Employee with severance benefits that are no less favorable than the severance benefits that would have been provided by Sellers to such Transferring Employees immediately prior to the Commencement Date and as set forth in the First Lodge Affidavit and the Second Lodge Affidavit. Purchaser shall provide Transferring Employees with health benefits that, in the aggregate, are substantially equivalent to those provided by Purchaser to its other similarly situated employees. Such

benefits shall have no exclusions for pre-existing conditions and all services with Sellers shall be considered as service with Purchaser for purposes of satisfying any waiting periods to participate in such benefits.

(g) Except as provided for in Section 9.1(d), Sellers and their ERISA Affiliates shall be exclusively responsible for complying with COBRA with respect to their Employees and their eligible dependents by reason of such Employees' termination of employment with Sellers and their ERISA Affiliates, and neither Purchaser nor any of their ERISA Affiliates shall have any Liability to provide COBRA on account of any such termination of employment.

(h) So that Purchaser may prepare to accept rollovers from those Transferring Employees who desire to roll their account balances from Sellers' 401(k) plans into Purchaser's 401(k) plan, prior to the Closing, Sellers shall provide Purchaser with the most recent IRS determination letter with respect to each qualified plan that Sellers maintain. If Purchaser considers such letter for Sellers' 401(k) plans to be outdated or the letter is not favorable, or if the plans have no individual determination letter, Sellers will explain to Purchaser (and provide promptly any requested documentation therefor) the reasons for the absence of a sufficiently recent favorable determination letter from the U.S. Internal Revenue Service with respect to each such Employee Benefit Plan that is designed to be a qualified plan. If Purchaser accepts such explanation and documentation as evidence that Sellers' 401(k) plans are properly qualified, Sellers shall cooperate reasonably with Purchaser to allow those Transferring Employees who wish to do so to roll over their account balances (including any unpaid loan balances, to the extent permitted under the Purchaser's 401(k) plans) to Purchaser's 401(k) plan, and to otherwise achieve a smooth transition regarding any rollovers elected by the Transferring Employees. Sellers shall be responsible for providing any required blackout notices, within the meaning of the Sarbanes-Oxley Act of 2002, with respect to each such Employee Benefit Plan, shall maintain the assets of each such Employee Benefit Plan in the manner required by ERISA until such assets are distributed to participants and beneficiaries.

## ARTICLE X

### CONDITIONS TO CLOSING

10.1 Conditions Precedent to Obligations of Purchaser. The obligation of Purchaser to consummate the transactions contemplated by this Agreement is subject to the fulfillment, on or prior to the Closing Date, of each of the following conditions (any or all of which may be waived by Purchaser in whole or in part to the extent permitted by applicable Law):

(a) (i) The representations and warranties of each Seller contained in this Agreement (other than as provided in subparagraph (ii) below) (without giving effect to any qualifications or limitations as to materiality or Material Adverse Effect set forth therein) shall be true and correct, as of the Closing Date as though made at and as of the Closing Date, except to the extent such representations and warranties expressly relate to